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**CAMERON PARK WOMAN SENTENCED TO PRISON IN  
REAL ESTATE "FLIPPLING" SCHEME**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that SHEILA JOLEEN GEORGE, 34, of Cameron Park, California, was sentenced today by U.S. District Court Judge William B. Shubb in Sacramento to seventeen months in prison in connection with a real estate "flipping" scheme in which she participated. GEORGE pleaded guilty to one count of mail fraud on July 2, 2003, and was arrested and detained on July 24, 2003, after it was revealed that she and her husband, co-defendant JOSEPH GEORGE, were continuing to engage in a similar type of real estate fraud scheme. As part of her sentence, GEORGE was ordered to pay \$622,000 in restitution to the victims of her scheme. Parole has been abolished in the federal criminal system, and GEORGE will be required by law to serve at least 85% of the prison time imposed.

As part of her guilty plea, GEORGE admitted that during the period of August of 1997 through August of 2000, she participated in a "flipping" scheme with co-defendants JOSEPH GEORGE, ELMER GEORGE, and LESLIE TOLAND to defraud real estate lenders. As the first part of the scheme, the GEORGE defendants would purchase single family residences in the Lake of the Pines area. After purchasing these properties, the GEORGE defendants would

obtain a fraudulently inflated appraisal from TOLAND, which they would use as the basis to either refinance, or to sell the property to each other or to a straw buyer. After the refinance or sale, the GEORGE defendants admitted that they essentially "walked away" from the properties by failing to make the required mortgage payments, forcing the bank to foreclose. For almost every property involved, the foreclosure sale would be slightly higher than the original purchase price paid by the defendants, but significantly less than the resale or refinance price, causing the lenders to take a considerable loss.

Defendant TOLAND was sentenced on October 1, 2003, and defendants JOSEPH GEORGE and ELMER GEORGE are set to be sentenced before Judge Shubb on November 12, 2003 and January 21, 2004.

The case was prosecuted by Assistant United States Attorney James P. Arguelles and was investigated by the Federal Bureau of Investigation, the Nevada County Sheriff's Office, and the State of California Office of Real Estate Appraisers.

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